



Quarterly Financial Report

First Quarter of 2011-12

November 28, 2011

OVERVIEW

With only the first quarter of the fiscal year complete, it is too early to identify any major financial trends. However, there does not appear to be any significant deviations from revenue and expenditure patterns for the first quarter of last fiscal year.

Interim Beginning Balances. While the audit is not yet complete, we believe the beginning fund and working capital balances present in this report are reasonable and not likely to change significantly.

Adjusted Budgets and Revenue Estimates. The revenue projections and budgets include adjustments for supplemental appropriations made by the Council as of September 30, 2011.

GENERAL FUND

General Fund Financial Condition. With 25% of the year complete, General Fund revenues are below projections based on the receipt of revenues later in the fiscal year and expenditures are on track at 19%.

General Fund Balance	Budget	YTD Actuals	Percent
Revenues	23,306,000	2,681,380	11.5%
Expenditures	24,454,000	5,403,807	22.1%
Other Sources (Uses)	359,600	27,399	7.6%
Balance, Start of Year	6,602,026	6,602,026	-
Balance, Year-to-Date	5,813,626	3,906,998	-

Top Ten Revenues. Our top ten revenues account for about 96% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position.

Overall, these key revenues are performing as projected based on revised estimates, payment schedules and past trends for the first quarter. Any significant variances are noted below.

Property Tax. The first major apportionment of 2011-12 taxes will not occur until December 2011.

Top Ten Revenues	Budget	YTD Actuals	% Received
Property Tax	5,877,000	143,678	2.4%
Property Tax in Lieu of VLF	2,321,000	-	0.0%
Sales Tax	5,400,000	1,418,207	26.3%
Property Tax in Lieu of Sales Tax	1,842,000	-	0.0%
Prop 172 Sales Tax Public Safety	263,000	47,285	18.0%
Transient Occupancy Tax	3,070,000	661,786	21.6%
Franchise Taxes	1,874,000	221,942	11.8%
Recreation Program Fees	352,000	69,680	19.8%
Business Licenses	421,000	401,985	95.5%
Police and Fire Service Fees	230,000	67,764	29.5%
Interest Earnings	117,000	3,423	2.9%
Rents and Leases	266,000	56,310	21.2%
Building Permit Fees	409,000	98,220	24.0%
Total	22,442,000	3,190,280	14.2%

Property Tax In-Lieu of VLF. We will not receive any revenues from this source until January 2012.

Sales Tax. Results to-date are on target to budget estimates. This reflects an increase in the local economy, with sales up overall.

Property Tax In-Lieu of Sales Tax. We will not receive any revenues from this source until January 2012.

Transient Occupancy Tax. Revenues are usually higher in the first quarter due to the summer tourist season. TOT year-to-date revenues are up by \$93,000 over the same period last year.

Franchise Fees. We will not receive a large component of our franchise fee revenues—payments from PG&E and Southern California Gas Company—until April 2012.

Recreation Fees. These revenues are down 39% from the same quarter last year.

Business Licenses. The renewal cycle for business license fees occurs during the first quarter of the fiscal year.

Investments Earnings. Investment earnings are not performing well, due to weak yields in the market. As the financial markets continue to fluctuate, we will monitor this closely.

Expenditures. Operating costs are generally on target for the first quarter of the year as summarized below:

Expenditures By Type	Budget	YTD Actuals	% Expended
Staffing	16,096,800	3,379,058	21.0%
Maintenance & Operations	8,169,700	2,024,749	24.8%
Debt Service	187,500	-	0.0%
Capital Outlay	-	-	0.0%
Total	24,454,000	5,403,807	22.1%

Departmental operating expenditures are also generally on target:

Expenditures by Dept	Budget	YTD Actuals	% Expended
Council	18,100	19,502	107.7%
City Manager/City Attorney	618,800	1,124,985	181.8%
Administrative Services	2,552,400	56,192	2.2%
Police	7,983,700	1,690,405	21.2%
Emergency Services	5,027,200	978,240	19.5%
Public Works	3,591,000	501,376	14.0%
Library and Recreation Services	3,393,700	733,292	21.6%
Community Development	1,269,100	299,815	23.6%
Total	24,454,000	5,403,807	22.1%

The only significant variance is in City Manager/City Attorney, which reflects the City's annual insurance premium payment paid in July.

ENTERPRISE FUNDS

In general, enterprise fund revenues and expenditures are consistent with past trends.

Water Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	7,838,800	1,989,372	25.4%
Expenditures			
Operating programs	11,404,300	5,726,303	50.2%
CIP projects	1,010,400	31,970	3.2%
Debt Service		474	0.0%
Other Sources (Uses)	(41,400)	(10,350)	25.0%
Balance, Start of Year	23,359,730	23,359,730	
Balance, Year-to-Date	18,742,430	19,580,479	

Sewer Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	5,605,400	1,106,452	19.7%
Expenditures			
Operating programs	5,303,000	1,252,786	23.6%
CIP projects	2,219,000	273,799	12.3%
Debt Service	334,200	4,241	1.3%
Other Sources (Uses)	(41,400)	(10,350)	25.0%
Balance, Start of Year	3,427,565	3,427,565	
Balance, Year-to-Date	1,135,365	2,992,841	

Transit Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	1,646,000	(2,169)	-0.1%
Expenditures			
Operating programs	1,315,000	239,314	18.2%
CIP projects	1,500	26,885	1792.3%
Balance, Start of Year	183,858	183,858	
Balance, Year-to-Date	513,358	(84,510)	

Airport Fund

Working Capital	Budget	YTD Actuals	Percent
Revenues	1,164,900	116,803	10.0%
Expenditures			
Operating programs	762,000	157,331	20.6%
CIP projects	1,058,300	18,358	1.7%
Balance, Start of Year	1,839,326	1,839,326	
Balance, Year-to-Date	1,183,926	1,780,440	

For More Information. This summary is based on detailed information produced by the City's financial management system. If you would like additional information, or have any questions about the report, please call Administrative Services at 237-3999.

